Rehabilitation package for farmers of A.P. and T.N.

743. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether a package for rehabilitation of farmers of Andhra Pradesh is being given;

(b) if so, whether the package will be extended to other States, especially the Tamil Nadu;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The announcement made by the Government on 18th June 2004 not only envisages increase in Ground Level Credit flow to agriculture and allied activities by 30% during 2004-05 and doubling the flow in three years, but also provide for following relief measures:

i. Debt restructuring/rescheduling and fresh loans for distressed farmers.

ii. One Time Settlement (OTS) for small and marginal farmers.

iii. Fresh credit to farmers whose earlier debts have been settled through compromise or write off.

iv. Loans for farmers indebted to non-institutional lenders.

Reserve Bank of India (RBI) and National Bank for Agriclture and Rural Development (NABARD) have already issued guidelines on 24th June and 29th, June 2004 to Commercial Banks and Rural Cooperatives and Regional Rural Banks respectively to provide relief to farmers as per the announcement. The rehabilitation package announced by Government is applicable to the farmers in all the States of the country, including Andhra Pradesh and Tamil Nadu.

Concessions for revival of handloom sector

744. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether a delegation of Andhra Pradesh weavers have sought certain concessions and measures to revive handlooms, handicrafts and power looms in the unorganized sector; and

(b) if so, what are their demands and what action has been taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir. Ministry of Finance is in receipt of representations from weavers and yarn dealers of Andhra Pradesh; and

(b) The request made in these representations is to withdraw excise duty of 9.2% on cotton yarn, to waive Central Sales Tax (CST) & Sales Tax (ST) on handloom products, power loomproducts and apparel, to provide different rate of interest to these sectors and creation of separate bank, as subsidiary to NABARD exclusively for funding rural artisans. As regards duty on cotton yarn, in Union Budget 2004 proposals, announced on 8th July, 2004, exemption from excise duty on cotton yarn has been provided on optional basis. The manufactures of such yarn can either avail full exemption without availing Cenvat credit or pay excise duty at 4% and avail Cenvat credit. Sales Tax is a State subject. Central Sales Tax, though a central levy, is administered by States. As per the provisions of section 8(5) of CST Act, 1956, the State Governments can reduce the rate of CST to any rate lower than 4%, which can be availed on submission of 'C Form. As regards introduction of different rate of interest for handlooms, powerlooms and apparel sector and creation of a separate subsidiary bank for the purposes of funding rural artisans, the information is being collected.

Crude Oil Stabilisation Fund.

745. SHRI MANOJ BHATTACHARYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to answer to Unstarred Question 52 given in the Rajya Sabha on 6th July, 2004 and state:

(a) whether it is proposed to set-up a Crude Oil Stabilisation Fund to insulate customers against frequent increase in oil prices;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The policy for pricing of major petroleum products in under review.